LAW REFORM COMMISSION OF SASKATCHEWAN

FINANCIAL STATEMENTS

For the Year Ended March 31, 2007

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V2

Phone: (306) 787-6398
Fax: (306) 787-6383
Web site: www.auditor.sk.ca
Internet E-mail: info@auditor.sk.ca

SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Law Reform Commission of Saskatchewan as at March 31, 2007 and the statements of changes in net assets, operations, and cash flows for the year then ended. The Commission's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 17, 2007

Fred Wendel, CMA, CA
Provincial Auditor

Statement 1

LAW REFORM COMMISSION OF SASKATCHEWAN
STATEMENT OF FINANCIAL POSITION
As at March 31

	2007	2006
ASSETS		
Current		
Cash	$ 20,394	$ 8,595
Short-term investments (Note 3)	100,000	100,000
Accounts receivable	16,217	15,805
Prepaid expense	2,648	2,719
Total Assets	$ 139,259	$ 127,119
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 5,516	$ 5,072
Net Assets		
Unrestricted net assets	133,743	122,047
Total Net Assets (Statement 2)	133,743	122,047
Total Liabilities and Net Assets	$ 139,259	$ 127,119

(See accompanying notes to the financial statements)

LAW REFORM COMMISSION OF SASKATCHEWAN
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
Year Ended March 31

	Budget	2007	2006
Revenue			
Saskatchewan Department of Justice grant	$ 60,000	$ 60,000	$ 60,000
Law Foundation grant (Note 5)	60,000	60,000	60,000
Interest	---	1,252	827
	120,000	121,252	120,827
Expenses			
Salaries and employee benefits	76,000	73,129	75,066
Professional services	10,000	11,000	10,000
Commissioners' honoraria	10,300	9,133	11,640
Conference and travel expense	12,730	9,852	13,888
Office supplies and services	13,800	3,589	2,700
Professional fees	2,700	1,856	2,214
Commercial law strategy	20,000	---	---
Amortization	---	---	516
Miscellaneous	---	997	870
	145,530	109,556	116,894
Excess of revenues over expenses	$ (25,530)	11,696	3,933
Net assets, beginning of year		122,047	118,114
Net assets, end of year		$ 133,743	$ 112,047

(See accompanying notes to the financial statements)

Statement 3

LAW REFORM COMMISSION OF SASKATCHEWAN
STATEMENT OF CASH FLOWS
Year Ended March 31

	2007	2006
Cash flows from (used in) operating activities		
Saskatchewan Department of Justice grant	$ 60,000	$ 60,000
Law Foundation grant	60,000	60,000
Interest received	1,022	22
Cash paid to suppliers and employees	(109,223)	(119,887)
Cash provided by operating activities	11,799	135
Cash flows from (used in) investing activities		
Purchase of short-term investments	(100,000)	(100,000)
Proceeds from disposal and redemption of investments	100,000	---
Cash used in investing activities	---	(100,000)
Increase (decrease) in cash	11,799	(99,865)
Cash, beginning of year	8,595	108,460
Cash, end of year	$ 20,394	$ 8,595

(See accompanying notes to the financial statements)

LAW REFORM COMMISSION OF SASKATCHEWAN
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2007

1. Incorporation

The Law Reform Commission Act was amended effective November 6, 1987. At that date the Commission became a body corporate and continued the operations of the Law Reform Commission of Saskatchewan.

The purpose of the Commission is to review all the laws of the Province with a view to its systematic development and reform and generally the simplification and modernization of the law.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

a) Revenue Recognition
The Commission follows the deferral method of accounting and recognizes unrestricted contributions as revenue when received or receivable.

b) Use of estimates
These statements are prepared in accordance with Canadian generally accepted accounting principles. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

3. Short-term Investments

Short-term investments include term deposits with a maturity greater than 90 days, but less than one year. At year end, the short-term investments have an effective interest rate of 3.3% (2006 – 1.3%). Short-term investments are recorded at cost which approximates fair value.

4. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Law Reform Commission of Saskatchewan by virtue of common control or significant influence by the Government of Saskatchewan.

The Law Reform Commission purchased office supplies and services from Rasmussen Management Consulting Ltd., which is owned by the chairperson of the Commission.

The Law Reform Commission contracted the chairperson of the Commission to provide professional services, in addition to her duties as chairperson, for the year from October 1, 2005 to September 30, 2006 for $10,000 per annum and for the year from October 1, 2006 to September 30, 2007 for $12,000 per annum.

The following table summarizes the Commission's related party transactions that are in the normal course of operations. These transactions are recorded at the standard rates charged by these parties and are settled at normal trade terms.

	2007	2006
Operating revenues - Grant from Department of Justice	$ 60,000	$ 60,000
Operating expenditures		
Rasmussen, Merrilee, Q.C. - professional services	11,000	10,000
Olive Waller Zinkan & Waller - office supplies and services	---	1,829
Rasmussen Management Consulting Ltd. - office supplies and services	501	935
Queen's Printer - printing	350	88
Workers' Compensation Board - salaries and benefits	219	138
University of Saskatchewan - miscellaneous	97	130
Accounts payable Rasmussen, Merrilee, Q.C.	3,000	2,500

In addition, the Commission pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as a part of the cost of those purchases.

5. Law Foundation Grant

The Law Reform Commission received a grant in 2006/07 from the Law Foundation of Saskatchewan for $60,000 (2005/06 – $60,000).

6. Financial Instruments

Financial instruments consist of short-term investments, accounts receivable and accounts payable. There are no significant terms and conditions related to the financial instruments that may affect the amount, timing and certainty of future cash flows. The fair value of these instruments approximates carrying value due to their immediate or short-term maturity.